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Draft budget proposals of the International Tribunal for the Law of the Sea for 2005-2006

Prepared by the Tribunal*

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* The present document was submitted after the deadline owing to consultations with the Tribunal that were required to finalize the document.

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Introduction

1. The seventeenth session of the Tribunal was held from 22 March to 2 April 2004. During the session, the Tribunal considered and approved the budget proposals for 2005-2006. For the first time, the budget has been prepared in euros and covers a biennial financial period in accordance with the Financial Regulations of the Tribunal, which were adopted at the thirteenth Meeting of States Parties in June 2003.

2. In line with the established practice, the budgetary requirements of the Tribunal for 2005-2006 are based on: (a) the expected volume of judicial work; (b) the Tribunal's administrative work; and (c) the operation of the Tribunal's premises.

3. Any consideration of the budget resources necessary for the work programme and administration of the Tribunal also needs to take account of the fact that the Tribunal, as a judicial organ established under the United Nations Convention on the Law of the Sea, is responsible for its own administrative and financial management.

4. During 2003, the *Case concerning Land Reclamation by Singapore in and around the Straits of Johor* (*Malaysia* v. *Singapore*), *Provisional Measures*, was submitted to the Tribunal. The proceedings in this case were instituted on 5 September 2003 and the Tribunal delivered its order on 8 October 2003. The proceedings were conducted in conjunction with the sixteenth session of the Tribunal, which took place from 8 to 19 September 2003. The *Case concerning the Conservation and Sustainable Exploitation* of *Swordfish Stocks* in the *South-Eastern Pacific Ocean* (*Chile/European Community*), which was submitted to a special chamber of the Tribunal in 2000, is still pending. Proceedings in the case were postponed by an order of the President of the Special Chamber dated 16 December 2003.

5. The ninth Meeting of States Parties established a contingency provision for case-related expenses. Pursuant to the decision of the thirteenth Meeting of States Parties, this part of the budget was renamed "case-related costs" (SPLOS/96, para. 2). In line with past practice, the budget estimates in the 2005-2006 budget proposals envisage the possibility of two urgent proceedings each year. Provision has been made for six weeks of meetings, including the time for hearings and deliberations and the rendering of orders and judgements, in each calendar year (see Part III).

6. The budgetary arrangements first established for the Tribunal were based on the determination of the Meeting of States Parties that there should be an evolutionary approach, optimizing efficiency. On the basis of the workload experienced in previous years, the number of staff has increased from 21 in 1996 to 37 in 2003. There is no request for any additional posts in 2005-2006.

7. Pursuant to the decision of the thirteenth Meeting of States Parties (SPLOS/98, para. (a)), budgetary appropriations in respect of established posts have been calculated on the basis of gross salary. Assessments of the contributions of States Parties have included a credit in respect of the amount of staff assessment relating thereto. Consequently, separate budget lines, indicating the gross salary and the staff assessment credit, have been established in the budget proposals.

8. The thirteenth Meeting of States Parties requested the Tribunal to consider whether assessment of common staff costs should be based on actual costs rather than using the United Nations applicable standard costs (see SPLOS/96, para. 5). Accordingly, with respect to common staff costs, budget proposals for 2005–2006 have included a comparison between the two possible methods and the figures obtained on the basis of each method.

9. In preparing the budget proposals for 2005-2006, the Tribunal has applied the principle of zero growth in respect of expenditures whenever possible. However, the Tribunal is constrained to request an increase for reasons beyond its control, as follows:

(a) Increases of the standard costs for staff and common staff costs as determined by the United Nations Budget Division lead to a net increase of €283,150 per annum;

(b) In 2005 the terms of office will expire for seven judges, who will be entitled to a pension beginning in October 2005. A provision of €370,400 has accordingly been made to meet the obligations for 15 months of the financial period 2005-2006 for seven judges. This leads to an increase of €176,750 per annum. The amount that will be utilized to meet the actual needs of the Tribunal will depend on the results of the election in 2005. Any appropriations not utilized will be surrendered in accordance with the Financial Regulations (see paras. 35-39 below and annex VIII);

(c) Expenditure incurred in euros has been adjusted for inflation. This gives rise to an increase of €29,000 per annum. An inflation rate of 1.3 per cent, as determined by the German Statistical Office for 2003 has been taken into account in respect of the following items:

- Travel to sessions and meetings
- Official travel
- Maintenance of premises (utilities)
- Rental and maintenance of equipment
- Training
- Miscellaneous services and charges (including bank charges)
- Library.

10. The thirteenth Meeting of States Parties requested the Tribunal to negotiate bilateral agreements concerning tax reimbursements by States that levy national taxes on remuneration paid by the Tribunal and, if necessary, to include in its budget proposals for 2005-2006 a budget line to reimburse members and officials of the Tribunal for national taxes paid in respect of remuneration paid by the Tribunal (SPLOS/98, paragraphs (d) and (e)). Pending the results of such negotiations, a new budget line in the section "staff costs" has been created for the reimbursement of national taxes paid by officials of the Tribunal. A provision has also been included in the budget line "common costs" for the reimbursement of national taxes paid by members of the Tribunal. A total amount of €35,000 per annum has been proposed (€20,000 for one judge and €15,000 for two staff members). This matter is the subject of a separate document (ITLOS/WP.68).

11. In addition, based on the performance in 2003, increases amounting to €72,300 have also been envisaged to meet the needs of the Tribunal in the budget lines "temporary assistance for meetings" and "overtime" under "case-related costs".

12. Based on the experience gained so far, it has been possible to plan reductions amounting to €53,850 in the following budget lines: communications; purchase of equipment; supplies and materials; general temporary assistance; and external printing and binding.

13. In accordance with the Tribunal's Financial Regulations, the proposed budget for the financial period 2005-2006 is presented in euros. However, it should be noted that the United States dollar remains the reference currency for some budget lines, such as judges' allowances, the judges' pension scheme and representation allowance. The United States dollar is also used as the reference currency for the budget estimates of staff costs (Professional category and above), which are issued by the United Nations. Accordingly, these budget lines have been affected by exchange rate fluctuations between the United States dollar and the euro. This has resulted in a decrease of €257,500 per annum in judges' annual and special allowances and representation allowance.

14. Taking into account the increases proposed in paragraphs 9 to 11 above, totalling €596,200 per annum, as well as the decreases referred to in paragraphs 12 and 13 above, amounting to €311,350, a total increase of €284,850 is envisaged for each calendar year.

15. The eighth Meeting of States Parties, in 1998, authorized the establishment of a Working Capital Fund to enable the Tribunal to deal with shortfalls in cash, particularly when cases are submitted, and to ensure that the financial operations can be undertaken in accordance with the normal requirements of the applicable regulations and practices. The thirteenth Meeting of States Parties decided that no further appropriations should be made until the Fund had been reduced to 8 per cent of the overall budget of the Tribunal (SPLOS/103, para. 49). At present the Fund stands at $650,000 (see part IV). In addition, pursuant to the decision adopted by the Meeting of States Parties in 2002 (SPLOS/L.28), an appropriation of $500,000 was made to the Fund, on an exceptional basis, in order to provide the Tribunal with the necessary financial means to consider cases where the expenditure could not be met from case-related costs or from transfer of funds between appropriation sections. It is not proposed therefore to make an appropriation to the Working Capital Fund in 2005-2006.

16. For the purpose of identifying changes between the 2004 budget, which was presented in United States dollars, and the 2005-2006 budget, which has been prepared in euros, the amounts in the budget lines of the 2004 budget have been converted into euros using the United States dollar/euro exchange rate as at March 2003 (0.929), when the draft budget proposals for 2004 were prepared and adopted by the Tribunal. The amounts converted into euros were then rounded for the purpose of budgeting. Furthermore, the amount in each budget line of the 2005-2006 budget has been divided according to the expenses relating to the year concerned for easy comparison with the corresponding budget line of the 2004 budget. The differences are shown in a separate column (annual decrease/increase) of the annex I table.

17. The budget proposals are based on the following parameters:

(a) The United States dollar/euro exchange rate of 0.804 as fixed by the United Nations in March 2004;

(b) The daily subsistence allowance (DSA) for Hamburg, Germany, in March 2004 amounts to €211, as fixed by the International Civil Service Commission (ICSC);

(c) Estimates relating to staff costs are based on standard costs issued by the United Nations (version 12, applicable to The Hague, 2005).

18. A table of the proposed budget of the Tribunal for 2005-2006 is contained in annex I to the present document. The table also includes the approved budget for the financial periods 2001 to 2004 and performance records for the financial periods 2001 to 2003.

Part I
Recurrent expenditure

19. The budget proposals for the 2005-2006 biennium envisage the convening of meetings of the Tribunal for a total of 10 weeks during each calendar year, in line with the level approved by the Meeting of States Parties in the past five years.

20. As noted in paragraph 5 above, six weeks of meetings each year are specifically devoted to proceedings in cases submitted to the Tribunal. In accordance with the decision of the Meeting of States Parties, expenses for these meetings are included in a separate part of the budget as provision for "case-related costs".

21. The Tribunal will also hold four weeks of meetings during each calendar year to deal with legal and judicial matters as well as administrative and organizational issues related to the discharge of its judicial functions. One two-week session will be held in February/March and another in September/October of each year. The legal and judicial matters for consideration at the sessions include a review of the Rules and judicial procedures of the Tribunal. This is undertaken both in the Committee on Rules and Judicial Practice under the chairmanship of the President of the Tribunal and in the plenary. Some of the main issues under consideration are: the costs to be borne by parties to a case other than States Parties; format for the List of Cases; secrecy of deliberations; maintenance of records of deliberations; requests for advisory opinions pursuant to article 138 of the Rules of the Tribunal; and bonds and other financial security to be posted by arrested vessels under article 292 of the Convention. The administrative and organizational matters dealt with at the sessions include: appointment of staff; supervision of the work and organization of the Registry; maintenance of the premises and related facilities of the Tribunal; and preparation of the draft budget, the annual report and other proposals for submission to the Meeting of States Parties. For the efficient consideration of these issues, the Tribunal has established special committees composed of judges to give detailed consideration to various matters referred to them and present recommendations for approval by the plenary. The Committees are: Committee on Budget and Finance, Committee on Staff and Administration, Committee on Buildings and Electronic Systems and Committee on Library and Publications.

22. Whenever possible, the Tribunal arranges to hold the sessions in conjunction with proceedings in cases submitted to the Tribunal.

A. Judges

23. The second Meeting of States Parties decided that the level of remuneration of a judge of the International Court of Justice would be the comparator (SPLOS/4). Based on this comparator, the maximum annual remuneration of a judge, effective 1 January 2000, is fixed at $160,000.

24. The fourth Meeting of States Parties decided that the annual remuneration of judges other than the President would consist of three elements (see SPLOS/8, and SPLOS/WP.3/Rev.1):

(a) An annual allowance, payable monthly. This is one third of the maximum annual remuneration (based on the current level of remuneration);

(b) A special allowance for each day that a judge is engaged on the business of the Tribunal;

(c) A subsistence allowance for each day that a judge is present at the seat of the Tribunal during meetings of the Tribunal.

1. Annual allowances

25. The President is required to reside at the seat of the Tribunal and receives an annual remuneration of $160,000 per annum. In addition, he is paid a special allowance of $15,000 per annum. The President is not entitled to a special allowance or subsistence allowance for attendance at meetings of the Tribunal.

26. The annual allowance of the other members of the Tribunal amounts to one third of the maximum annual remuneration ($53,333.33). A decrease of €207,800 in the total amount proposed under this budget line is entirely due to currency fluctuations between the United States dollar and the euro.

2. Special allowances

27. Judges are paid a special allowance for each day that they are engaged on the business of the Tribunal during sessions of the Tribunal. A subsistence allowance is also paid for each day that a judge is present at the seat of the Tribunal during sessions of the Tribunal.

28. Judges may be paid a special allowance for preparatory work undertaken by them before meetings of the Tribunal. A subsistence allowance is also payable to judges when they carry out preparatory Tribunal-related work away from their normal place of residence.

29. In respect of meetings for a total of 10 weeks for each year, it is proposed, as in the past, that provision be made for a special allowance for preparatory work for a total of 45 days each for 20 judges, and a subsistence allowance for preparatory work for a total of 24.5 days each for up to 10 judges. Payment of these allowances will be subject to authorization by the President.

30. Following the decrease in the DSA rate for Hamburg, as determined by the ICSC, with effect from 1 June 2003, the new DSA rate stands at €211 instead of

€216 used for the 2004 budget. This, together with the exchange rate fluctuations, has resulted in a total decrease of €78,800 (€24,200 under Part I, "Recurrent expenditure", and €54,600 under Part III, "Case-related costs").

31. The Vice-President receives a special allowance for each day on which he acts as President. The rate for this allowance is fixed at $94 per day. During his presence in Hamburg, the Vice-President is entitled to allowances of judges engaged on the business of the Tribunal. A total of $9,400 (€7,600) is envisaged for the allowances for the Vice-President.

32. The budgetary estimates for the remuneration of judges for 2005-2006 have been based on the number of meetings, as set out in annexes V, VI and VII (A and B).

33. As in previous years, appropriations relating to cases will be placed under "Case-related costs" (formerly "contingency"), which will be only utilized for case-related expenses (see Part III and annex VII, A and B).

3. Travel of judges to meetings

34. The amount proposed to cover the travel costs of judges to attend sessions of the Tribunal over the financial period 2005-2006 is €246,300. The sum of €123,150, representing the amount per annum, is for travel of 20 judges each year to two sessions not necessarily related to proceedings in cases. This corresponds to the amount approved for 2004, adjusted to take account of the inflation rate.

4. Judges' pension scheme

35. The ninth Meeting of States Parties approved the Pension Scheme Regulations for Members of the International Tribunal for the Law of the Sea (SPLOS/47).

36. The Tribunal is currently under an obligation to pay pensions for two former judges and two surviving spouses of judges. A provision of $67,700 (€62,900) was approved for 2004 to meet this obligation and the continued payment of these pensions (€109,000) is required in 2005-2006.

37. In 2005, the terms of office of seven judges, including two former presidents, will expire. A judge who is not re-elected will be entitled to a pension beginning in October 2005. In accordance with the previous procedures approved by the Meeting of States Parties in 1999 and 2002, a provision of €370,400 is proposed to meet the maximum possible obligations for 15 months of the financial period 2005-2006. The amount that will be utilized to meet the actual needs of the Tribunal will depend on the results of the election in 2005. Any part of the proposed appropriations not utilized will be surrendered in accordance with the Financial Regulations.

38. A total amount of €479,300 has been proposed for 2005-2006 in respect of pension payments. This represents an increase of €176,750 per annum, after exchange rate adjustments, compared to the provision made for 2004 (see annex VIII).

5. Common costs

39. It is proposed to create a new budget line entitled "Common costs", under "Section 1.A: Judges", which includes the insurance scheme for work-related accidents and the reimbursement of national taxes. It is also proposed to place

common costs in respect of the President (which have so far been appropriated under "Annual allowances" of judges) under this new budget line (see annex VI).

40. The thirteenth Meeting of States Parties decided that provision should be made to cover the liability of the Tribunal in the event of work-related accidents that might affect judges of the Tribunal. For this purpose, an amount of $6,000 (€5,600) was approved in the 2004 budget, and the same amount per annum has been envisaged for 2005-2006.

41. Pursuant to the decision of the thirteenth Meeting of States Parties (SPLOS/98, para. (e)), a provision of €20,000 per annum has been made to reimburse one member of the Tribunal for national taxes levied on his remuneration paid by the Tribunal in 2005-2006.

42. A total amount of €59,750 per annum has been proposed for 2005-2006 under this new budget line.

B. Staff costs[1]

43. The Registry is responsible for the entire administration of the Tribunal. In particular, the Registry provides the full range of support and assistance required by the Tribunal for dealing with cases submitted to it, including legal research, preparation of documentation and notices for the judges, the parties in the cases and other interested States and organizations. It also provides all administrative and logistical support for the travel of judges to and from Hamburg on the business of the Tribunal.

44. The Registry is also responsible for maintaining court facilities of the Tribunal and the preparation and distribution of case records, publications and press releases.

45. The Registry is further responsible for the management of the Tribunal's finances, including: the execution of the budget and the collection of contributions to the budget; staff and personnel matters; the operation and maintenance of the premises of the Tribunal, including security matters; providing library services and maintaining archives; and the operation and maintenance of the electronic systems, including equipment, databases and the Tribunal's web site.

46. Finally, the Registry maintains relations with the United Nations and other international organizations as well as with relevant departments and agencies of the Government of the host country and the Governments of States Parties.

47. These responsibilities entail heavy demands on the staff of the Registry. The Tribunal is conscious of the need to ensure cost-efficiency in the operation of the Registry and it continues to maintain an evolutionary approach in requesting resources for the Registry.

1. Established posts

48. The Tribunal has been operational for more than seven years. In order to adapt existing posts to the evolving needs of the Tribunal, taking into account the experience of staff members, a grade classification of posts in the General Service category was carried out in 2002. The classification, which was conducted on the basis of the report of an expert consultant recommended by the United Nations,

resulted in changes of titles and levels of certain posts in the General Service category, which were reported to the thirteenth Meeting of States Parties.

49. It is proposed to revise the grade of the post of Press Assistant, currently G-7, to the Professional level (P-2). The position requires, inter alia, an ability to present complex aspects of cases to the media, manage the press office of the Tribunal, maintain and update its web site and administer its internship programme. The proposed upgrading of the position would result in an increase of €890 in net salary and common staff costs.

50. The post requirements for 2005-2006 for staff in the Professional levels are set out in annex II. The post requirements for 2005-2006 for the staff in General Service levels are set out in annex III.

51. Budgetary estimates relating to staff costs are based on standard costs issued by the United Nations (United Nations standard salary costs, version 12, applicable to The Hague for 2005). Accordingly, it is proposed to appropriate €5,661,500 for the established posts in 2005-2006. After deduction of the amount of staff assessment, this represents a net increase of €252,600 per annum compared to the amount appropriated for 2004.

2. Staff assessment/credit

52. In accordance with the decision of the thirteenth Meeting of States Parties (SPLOS/98, para. (a)), the 2005-2006 budget proposals contain a separate budget line for a credit in respect of the amount of staff assessment, which is included in the costs for established posts. Accordingly, the contributions of States Parties will be assessed on the basis of net salaries.

3. Reimbursement of national taxes

53. Pursuant to the same decision (SPLOS/98, para. (e)), a new budget line to reimburse officials of the Tribunal for national taxes levied on their remuneration paid by the Tribunal has been included in the proposed 2005-2006 budget. At present two staff members are subject to income tax in the country of which they are nationals. On the basis of their tax liability in previous years, it is proposed to appropriate an amount of €15,000 per annum.

4. Common staff costs [2]

54. The thirteenth Meeting of States Parties requested the Tribunal to review the method used to assess common staff costs in order to reflect more accurately the actual costs involved, and to consider whether assessment of common staff costs should be based on actual costs rather than the United Nations applicable standard costs (see SPLOS/96, para. 5).

55. In this respect, it may be recalled that the Tribunal, as part of the United Nations common system, has, since 1996, followed United Nations practice in respect of budgeting common staff costs. These costs arise in connection with the allowances and benefits of staff members and are calculated by applying a certain percentage to the remuneration of staff members. The Programme Planning and Budget Division of the United Nations is responsible for determining different percentages in respect of common staff costs to be applied to various duty stations around the world.

56. As the United Nations has not so far determined a separate rate applicable to Hamburg, the Tribunal has used The Hague as a comparator for the purpose of budgeting common staff costs with respect to the budgets of the Tribunal for the financial periods 1996/1997 to 2004.

57. Considering the small size of its Registry, the practice of the Tribunal since 1996 has been to apply the percentage applicable to The Hague to the gross salary in order to meet the actual needs of the Tribunal. This is reflected in the performances of this budget line in the past financial periods, as indicated below:

Financial period	*Established posts (gross salary) in United States $*	*Common staff costs (performance) in United States $*	*Common staff costs as percentage of established posts*	*United Nations percentage applicable to The Hague*
1996/1997	1 438 273.17	763 753.10	53.1	
1998	1 579 330.80	442 141.23	27.99	34.8
1999	2 130 094.00	646 498.00	30.35	33.4
2000	1 895 179.00	622 340.00	32.84	33.4
2001	2 033 145.00	750 283.00	36.9	33.4
2002	2 190 650.00	833 382.00	38.04	35.4
2003	2 748 163.00	880 735.00	32.05	35.4
2004				41.14
2005				41.14

58. If it is decided to continue the Tribunal's practice concerning the budgeting of "Common staff costs" for 2005-2006, that is, applying 41.14 per cent to the gross salary (€5,661,500), a provision of €2,329,100 for two years (€1,164,550 per year) should be envisaged for this budget line. When this percentage is to be applied to the net salary in accordance with the United Nations practice, however, a provision of €896,400 per annum should be made under this budget line.

59. Another approach for assessing common staff costs is to base estimates on projected actual requirements. In order to project the Tribunal's actual requirements for 2005 and 2006, the performance in 2003 was used as a reference, taking into account expected increases in the future (for example, the filling of vacancies). On that basis, common staff costs for 2005-2006 have been estimated at €927,938 (see annex X).

60. It appears that there is no major difference between the figures obtained by projecting actual costs and the figures resulting from the percentage as applied to The Hague. The percentage (41.14 per cent) seems to reflect the current needs of the Tribunal. For this reason, it is proposed for the Tribunal to follow the United Nations practice and to calculate the amount of common costs on the basis of the percentage fixed by the United Nations with respect to the financial period 2005-2006. This matter could be reviewed in 2006 by the Meeting of States Parties on the basis of the performance for 2004 and 2005.

61. Accordingly, an amount of €896,400 is proposed for this budget line. This represents an increase of €30,500 per annum compared to the appropriation approved for 2004.

5. Overtime

62. The nature of the work of the Tribunal makes it unavoidable that some staff members should be required to work beyond normal working hours, particularly during meetings. Overtime payments cannot always be replaced by compensatory time off, particularly in a small secretariat. The provision per annum requested for 2005-2006 amounts to €19,500. This represents the same amount per annum as the appropriation approved for 2004.

6. Temporary assistance for meetings

63. In line with the practice of other international judicial institutions, the Tribunal does not employ the personnel needed for conference services on a permanent basis. This provision covers emoluments and costs of travel of interpreters, revisers, translators, audio equipment operators and additional linguistic typists recruited specifically for meetings not directly related to cases. The provision also covers the costs of other conference-related staff and personnel to service meetings. The amount proposed takes into account the fact that not all personnel are readily available at the seat of the Tribunal, particularly translators and interpreters.

64. On the basis of the performance in 2003, the same amount of €106,700 per annum is proposed for 2005-2006 as for 2004.

7. General temporary assistance

65. The Tribunal employs temporary assistance personnel to deal with peak workloads and to accommodate other specific requirements. General temporary assistance is predominantly used for translating, editing, photocopying and disseminating documents and for providing assistance to conference staff. On the basis of experience to date, the total provision proposed for general temporary assistance for 2005-2006 is €133,100, which represents a decrease of €26,350 per annum compared to the appropriation approved for 2004.

8. Training

66. Training of staff is required in the use of the computer network and specialized software, which is continually being updated for word-processing and database functions, including bibliographic and other information systems. In addition, language training is also required to promote proficiency in both official languages of the Tribunal as well as efficiency in relations between the Tribunal and the host country. Since the Tribunal is part of the United Nations common system, staff training is essential to ensure compliance with its norms and practices. Where appropriate, training is also provided to judges. A provision of €33,150 per annum is proposed for 2005-2006. This is the same as the amount approved for 2004, with a 1.3 per cent adjustment for inflation.

C. Representation allowance

67. A representation allowance is payable to the President, the Registrar and the Deputy Registrar in accordance with the practice of the United Nations. The total amount proposed for 2005-2006 is €13,700.

D. Official travel

68. This provision is to cover the costs of travel of the President and, as necessary, other judges and the Registrar and staff on official business of the Tribunal. The appropriation proposed for official travel in 2005-2006 is €172,200. This represents the same amount as the appropriation approved for 2004 with a 1.3 per cent adjustment for inflation.

E. Hospitality

69. This provision is to cover the hospitality requirements of the Tribunal. The amount proposed for 2005-2006 is €13,200, which represents the same level per annum compared to the appropriation approved for 2004.

F. Operating expenditures

1. Maintenance of premises, including security

70. The Tribunal has to operate a large modern building with complicated equipment. Under the Premises Agreement, the technical equipment provided with the building (security, heating and cooling system, courtroom technology, electrical installations, elevators, sprinkler system, ventilation, fire alarm system, electrically operated doors, etc.) must be maintained in accordance with the highest standards applicable in the host country. For this purpose, following the move to the permanent premises, 39 maintenance contracts were taken over by the Registry. These contracts are kept under review and renegotiated regularly. It is anticipated that the overall cost of maintenance contracts for the building will remain constant in 2005 and 2006 with a 1.3 per cent adjustment for inflation.

71. Since November 2000, when it moved into its permanent premises, the Tribunal has had a service contract with Thyssen Krupp Hiserve GmbH for the maintenance of the premises. The contract includes the provision of services relating to the operation, management and maintenance of the premises, such as cleaning, snow and ice removal, waste disposal, work related to the supply of water and energy and gardening.

72. In addition to the facilities management contract, maintenance of the building requires utilities (electricity, gas, water) as well as supplies and insurance. It is anticipated that the overall cost of utilities will remain the same as provided in the budget 2004. Minor repairs, as provided for in the Premises Agreement with the host country, have to be carried out from time to time by the Tribunal, and security services are also required.

73. An amount of €1,953,000 is proposed for 2005-2006. This is the same per annum as the amount approved for 2004 with a 1.3 per cent adjustment for inflation. The details of the expenditure relating to the maintenance of premises are shown in annex IX.

2. Rental and maintenance of equipment

74. It has proved more economical to rent or lease items of equipment than to purchase them. The costs of maintenance resulting from outright purchases are thus

avoided. On the basis of the experience gained, the total amount proposed under this item for 2005-2006 is €332,500. This is the same per annum as the amount approved for 2004 with a 1.3 per cent adjustment for inflation.

3. Communications

75. The expenses for the communications of the Tribunal include: the cost of postage and courier services; local and long-distance telephone calls; facsimile services and other electronic means of communication, such as e-mail; audio (and possibly video) services; Internet connections; and access to databases.

76. The provision for communications includes the cost of enabling the Registry to communicate with judges at their homes by means of telephone, facsimile and network facilities. It also includes the cost of leasing the necessary telephone lines to optimize efficiency in maintaining a web site, e-mail and Internet connections for the premises and through them for judges at their homes. In light of the experience gained, an amount of €91,350 per annum is proposed for 2005-2006. This represents a decrease of €4,850 compared to the appropriation approved for 2004.

4. Miscellaneous services and charges (including bank charges)

77. This provision is to cover the costs of miscellaneous services needed by the Tribunal where such costs may not appropriately be charged to any of the specific headings of the budget. It includes such items as bank charges and adjustments for currency fluctuations. An amount of €37,900 is proposed for 2005-2006. This is the same per annum as the amount approved for 2004 with a 1.3 per cent adjustment for inflation.

5. Supplies and materials

78. This provision is to cover the costs of office and other supplies, materials and services on the premises. Based on the experience gained so far, an amount of €57,350 per annum is proposed for 2005-2006, which represents a reduction of €3,050 compared to the appropriation approved for 2004.

6. Special services (external audit)

79. Under the new Financial Regulations of the Tribunal, the Meeting of States Parties will appoint the auditor with respect to the financial period 2005-2006 and the subsequent financial periods. The auditor may be an internationally recognized firm of auditors, an auditor-general or an official of a State Party with an equivalent title (regulation 12.1). Provision has been made to cover the expenditure relating to the different options available to the Meeting of States Parties with regard to the appointment of an auditor. The amount proposed for 2005-2006 is €32,800, which represents the same amount per annum as the appropriation level approved for 2004.

G. Library and related costs

80. The availability of quality library facilities at the Tribunal is indispensable for the effective operation of the Tribunal. The judges and the staff of the Registry, as well as States and entities that may appear as parties before the Tribunal, need to have at their disposal a comprehensive collection of literature on public international

law, the law of the sea, maritime law, commercial law, mining law and environmental law. Given the scope of the jurisdiction of the Tribunal, the Library should also include material on various scientific subjects which are closely connected with the work of the Tribunal.

1. Procurement of books and publications

81. The Library needs to collect publications that form the basis of a core collection in international law. The annual cost of acquiring such materials does not remain constant, particularly with respect to serial publications. In addition, the Library's publications come from all over the world and the associated costs, particularly shipping, are often quite significant. The Library has subscribed to various databases which provide important and timely access to certain types of scientific and legal information.

82. The same amount, after adjustment for inflation, as appropriated in the previous year should suffice to meet the above requirements. It is therefore proposed to appropriate a total of €227,400 under the 2005-2006 budget. This is the same per annum as the amount approved for 2004 with a 1.3 per cent adjustment for inflation.

2. External printing and binding

83. This provision is to cover the costs of producing and publishing documents and other material, such as judgements and pleadings of cases, and for widely disseminating other documentation such as the Yearbook, the Annual Report, the Rules of the Tribunal and Regulations. In addition, there is a need for the Library to bind monographs and journals. Based on the performance of previous years, the amount proposed for 2005-2006 is €89,600. This represents a reduction of €6,300 per annum in comparison with the appropriation approved for 2004.

Part II
Non-recurrent expenditure

A. Furniture and equipment

84. This provision is to cover the purchase of office equipment and furniture. The estimates of non-recurrent expenditure for 2005-2006 are based on the requirements of the Tribunal in terms of office equipment, equipment for archives, software (data-processing, storage and retrieval systems for archives, and legal matters, etc.), hardware and maintenance and development of the web site. Account is also taken of the need to replace obsolete equipment.

1. Purchase of equipment

85. The thirteenth Meeting of States Parties approved the amount of €88,300 for the purchase of equipment for 2004. In light of the experience gained, an amount of €75,000 per annum is proposed for 2005-2006, which represents a decrease of €13,300 compared to the appropriation approved for 2004.

2. Purchase of special equipment

86. No appropriation has been proposed under this budget line.

Part III
Case-related costs

87. The ninth Meeting of States Parties agreed to establish a "contingency" provision for case-related expenses. Pursuant to the decision of the thirteenth Meeting of States Parties, this part of the budget was renamed "Case-related costs". In accordance with the practice in previous years, costs for six weeks of meetings per year, and prorated related costs of hearings, deliberations and rendering of orders and judgements, are again proposed for inclusion in case-related costs. The associated costs, that is, travel of judges to deal with cases, temporary assistance for meetings and overtime, have also been included here. The provision is detailed in annex VII (A and B) and will only be used if the Tribunal meets to deal with cases.

A. Judges

1. Special allowances

88. A provision of €1,222,600 is proposed for 2005-2006 to cover special and subsistence allowances in relation to cases. Owing to the decrease in the DSA rate for Hamburg as well as the exchange rate fluctuations, the proposed amount represents a reduction of €54,600 per annum compared to the level approved for 2004.

2. Compensation to judges ad hoc

89. A provision of €72,900 has been included to meet the compensation of two judges ad hoc for three weeks of meeting time and two and a half weeks of preparatory work. This represents a decrease of €4,050 per annum compared to the appropriation approved for 2004, which results from the reduction in the DSA rate for Hamburg.

3. Travel of judges to meetings including judges ad hoc

90. This provision is to cover the travel costs of judges, including judges ad hoc, to meetings relating to cases. The sum of €129,750 per annum is proposed for 2005-2006. This figure represents an increase of €2,450 per annum compared to the appropriation approved for 2004, owing to a 1.3 per cent adjustment for inflation.

B. Staff costs

1. Temporary assistance for meetings

91. A separate provision is made for temporary assistance for meetings to cover expenses relating to cases. This provision covers emoluments and costs of travel of interpreters, verbatim reporters, revisers, translators, audio equipment operators and additional linguistic typists recruited specifically for meetings, including hearings and judicial deliberations. The provision also covers the costs of other conference-

related staff and personnel to service meetings. The amount proposed takes into account the fact that not all personnel are readily available at the seat of the Tribunal, particularly translators, interpreters and verbatim reporters.

92. Budget appropriations for 2003 were based on two urgent proceedings. In 2003, one case was submitted to the Tribunal and 66 per cent of the appropriation was used. The performance shows the need for an increase in the amount of appropriation under this budget item. The increase is largely due to the increase in the costs for interpretation and translation services. Estimates for interpretation costs are based on the terms and conditions followed in the United Nations system, taking into account the need for interpretation services at short notice and during urgent proceedings. This requires work to be performed during week-ends, official holidays and night meetings. Estimates regarding the translation expenses take into account the volume of work that can be absorbed internally and an average number of pages that have to be sent for external translation. Regarding external translation, the Tribunal applies rates to contractual translation as determined by the United Nations Office at Geneva.

93. On the basis of this experience, an amount of €493,200 is envisaged for 2005-2006. This represents an increase of €62,800 per annum compared to the appropriation approved for 2004.

2. Overtime

94. It is unavoidable that many staff members are required to work beyond normal working hours, particularly during urgent proceedings. This is required in order for the Tribunal to be able to deliver a judgement within a short period of time. Overtime payments cannot always be replaced by compensatory time off, particularly in a small secretariat. An amount of €22,500 per annum is proposed for this budget line in light of the experience gained in 2003. This represents an increase of €9,500 per annum compared to the appropriation approved for 2004.

Part IV
Working Capital Fund

95. The eighth Meeting of States Parties in 1998 authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds and to provide the Tribunal with the necessary financial means to consider cases, in particular those involving urgent proceedings.

96. For the purposes of the Tribunal, an amount of approximately 8 per cent of its annual budget is considered appropriate and, on that basis, the Working Capital Fund of the Tribunal is considered adequate at the level of $ 650,000. This is in line with the practice followed by the United Nations, whose Working Capital Fund stands at around 8 per cent of its annual budget (4 per cent of its biennium budget).

97. At the end of 2001, the Working Capital Fund amounted to $650,000. However, the twelfth Meeting of States Parties in 2002 approved, on an exceptional basis, the appropriation of $500,000 (being part of the savings from the financial period 2001) to the Working Capital Fund of the Tribunal, in order to provide the Tribunal with the necessary financial means, in the event of temporary shortfalls in

funds, to consider cases where the expenditure could not be met from case-related costs or from transfer of funds between appropriation sections (SPLOS/L.28).

98. As a consequence of the total approved appropriations from previous budgets, the Working Capital Fund currently stands at $1,150,000.

99. The thirteenth Meeting of States Parties decided that no further appropriations to the Working Capital Fund should be made until the Fund had been reduced to 8 per cent of the overall budget of the Tribunal. Thus it is not proposed to make any further appropriation in 2005-2006.

Notes

[1] For the purposes of the estimates, the rates of remuneration and the entitlements of staff have been computed on the basis of the applicable rates of the United Nations common system, using the 2005 standard costs (version 12) applicable to The Hague.

[2] For the purposes of the estimates, the rates of remuneration and the entitlements of the staff have been computed on the basis of the applicable rates of the United Nations common system using the 2003 standard costs, version 13, applicable to The Hague.

Annex I

Budgets of the Tribunal 2001-2005/2006

Part/ sect.	Object of expenditure	Approved budget 2001	Performance 2001	Approved budget 2002	Performance 2002	Approved budget 2003	Performance 2003	Approved budget 2004	Approved budget 2004	Proposed budget 2005	Proposed budget 2006	Proposed budget 2005-2006	fn	Annual decrease/ increase[c]
		In United States dollars							In euros					
I	**Recurrent expenditure**													
A	**Judges**			**1 808 100**	**1 773 696**	**1 896 000**	**1 710 653**	**1 862 100**	**1 729 900**	**1 649 401**	**1 812 938**	**3 462 300**		**1 250**
1	Annual allowances	1 295 100	1 212 843	1 295 100	1 304 304	1 295 100	1 205 448	1 298 300	1 206 100	998 301	998 301	1 996 600		-207 800
2	Special allowances	329 500	294 774	318 000	306 599	310 100	333 608	360 100	334 500	310 295	310 295	620 600		-24 200
3	Travel to sessions	120 000	113 607	120 000	111 487	125 000	105 074	130 000	120 800	122 340	123 930	246 300		2 350
4	Pension scheme	15 400	35 259	75 000	51 306	165 800	66 523	67 700	62 900	128 545	350 792	479 300		176 750
5	Common costs							0	0	89 920	29 620	119 500		59 750
6	Insurance scheme							6 000	5 600	0	0	0		-5 600
B	**Staff costs**			**3 226 300**	**3 234 381**	**3 301 300**	**3 930 082**	**3 276 600**	**3 043 900**	**3 313 647**	**3 314 075**	**6 632 700**		**272 450**
1	Established posts	2 523 900	1 986 560	2 187 700	2 190 650	2 249 700	2 807 496	2 633 000	2 446 100	2 830 763	2 830 763	5 661 500	a	384 650
2	Staff assessment/credit							-559 400	-519 700	-651 765	-651 765	-1 303 500		-132 050
3	Reimbursement of national taxes									15 000	15 000	30 000		15 000
4	Common staff costs	841 300	750 283	729 200	799 056	771 600	880 735	932 100	865 900	896 440	896 440	1 792 900	b	30 550
5	Overtime	50 300	21 766	50 300	30 611	35 000	44 054	21 000	19 500	19 503	19 503	39 000		0
6	Temporary assistance for meetings	129 100	80 825	129 100	91 868	100 000	100 052	114 900	106 700	106 700	106 700	213 400		0
7	General temporary assistance	120 000	119 707	100 000	97 206	110 000	64 756	100 000	92 900	64 068	64 068	133 100		-26 350
8	Training	30 000	24 948	30 000	24 990	35 000	32 989	35 000	32 500	32 938	33 366	66 300		650
C	**Representation allowance**	7 600	6 772	**7 600**	**7 309**	**7 600**	**7 600**	**7 600**	**7 100**	**6 110**	**6 110**	**12 200**		**-1 000**
D	**Official travel**	94 700	58 924	**94 700**	**73 212**	**90 700**	**84 344**	**90 700**	**84 300**	**85 522**	**86 634**	**172 200**		**1 800**
E	**Hospitality**	7 100	6 865	**7 100**	**3 622**	**7 100**	**3 573**	**7 100**	**6 600**	**6 600**	**6 600**	**13 200**		**0**
F	**Operating expenditures**			**1 179 000**	**1 032 315**	**1 232 700**	**1 251 511**	**1 415 700**	**1 315 200**	**1 319 680**	**1 334 039**	**2 653 700**		**11 650**
1	Maintenance of premises including security	675 000	679 497	698 300	745 765	815 000	921 045	1 032 000	958 700	970 539	982 505	1 953 000		17 800

Part/ sect.	Object of expenditure	Approved budget 2001	Performance 2001	Approved budget 2002	Performance 2002	Approved budget 2003	Performance 2003	Approved budget 2004	Approved budget 2004	Proposed budget 2005	Proposed budget 2006	Proposed budget 2005-2006	fn	Annual decrease/ increase[c]
		In United States dollars							In euros					
2	Rental and maintenance of equipment	207 000	195 898	207 000	138 119	200 000	188 535	177 500	164 900	165 213	167 361	332 600		1 400
3	Communications	146 000	82 762	146 000	69 429	115 000	67 443	103 500	96 200	91 340	91 340	182 700		-4 850
4	Miscellaneous services and charges (including bank charges)	25 000	18 402	25 000	19 773	20 000	15 915	20 000	18 600	18 822	19 067	37 900		350
5	Supplies and materials	85 000	40 274	85 000	45 729	65 000	40 873	65 000	60 400	57 366	57 366	114 700		-3 050
6	Special services (external audit)	15 400	13 100	17 700	13 500	17 700	17 700	17 700	16 400	16 400	16 400	32 800		0
G	**Library and related costs**			**199 600**	**194 374**	**175 000**	**164 928**	**175 000**	**162 600**	**157 450**	**159 497**	**317 000**		**-4 100**
1	Library — procurement of books and publications	60 000	59 755	75 000	74 432	120 000	114 266	120 000	111 500	112 950	114 418	227 400		2 200
2	External printing and binding	64 600	58 894	64 600	64 600	55 000	50 662	55 000	51 100	44 500	45 079	89 600		-6 300
3	Start-up costs of library	60 000	59 675	60 000	55 342									
II	**Non-recurrent expenditure**													
A	**Furniture and equipment**			**340 800**	**254 989**	**100 000**	**94 956**	**95 000**	**88 300**	**75 000**	**75 000**	**150 000**		**-13 300**
1	Purchase of equipment	248 000	222 397	310 000	237 610	100 000	94 956	95 000	88 300	75 000	75 000	150 000		-13 300
2	Purchase of special equipment	27 000	16 916	30 800	17 379									
III	**Case-related costs**	863 900	731 199	**894 300**	**411 909**									
A	**Judges**					**808 600**	**328 686**	**897 400**	**833 700**	**776 655**	**778 330**	**1 555 000**		**-56 200**
1	Special allowances					633 300	280 052	716 800	665 900	611 287	611 287	1 222 600		-54 600
2	Compensation to judges ad hoc					40 300	34 351	43 600	40 500	36 440	36 440	72 900		-4 050
3	Travel to meetings, including judges ad hoc					135 000	14 283	137 000	127 300	128 928	130 603	259 500		2 450

Part/ sect.	Object of expenditure	Approved budget 2001	Performance 2001	Approved budget 2002	Performance 2002	Approved budget 2003	Performance 2003	Approved budget 2004	Approved budget 2004	Proposed budget 2005	Proposed budget 2006	Proposed budget 2005-2006	fn	Annual decrease/ increase[c]
		In United States dollars							In euros					
B	**Staff costs**					**179 300**	**120 088**	**211 800**	**196 800**	**269 133**	**269 133**	**538 200**		**72 300**
1	Temporary assistance for meetings					179 300	120 088	197 800	183 800	246 610	246 610	493 200		62 800
2	Overtime							14 000	13 000	22 523	22 523	45 000		9 500
IV	**Working capital fund**	50 000	700 000	50 000	0	0	0	0	0			0		0
	Total	**8 090 900**	**7 591 902**	**7 807 500**	**6 985 807**	**7 798 300**	**7 696 421**	**8 039 000**	**7 468 400**	**7 659 198**	**7 842 356**	**15 506 500**		**284 850**

Rate of exchange United Nations exchange rate for March 2004
US$ 1 = €0.804

[a] Budget information system, standard salary costs, Version 12, 2005, applicable to The Hague.
[b] Based on the percentage (41.14 per cent) of the net salary.
[c] Annual decrease/increase (50 per cent of the biennium budget).

Annex II

Professional staff of the Registry in 2005/2006

Level	*Function*	*Number of posts*	*Standard costs in United States dollars*	*Net standard costs in United States dollars*	*Staff assessment in United States dollars*
ASG	Registrar	1	198 828	147 609	51 219
D-2	Deputy Registrar	1	181 345	135 607	45 738
P-5	Head of Administration and Management	1	143 640	107 163	36 477
P-5	Head of Conference and Linguistic Services	1	143 640	107 163	36 477
P-4	Librarian	1	122 472	92 799	29 673
P-4	Head of Budget and Finance	1	122 472	92 799	29 673
P-4	Translator/Reviser	1	122 472	92 799	29 673
P-4	Legal Officer	2	244 945	185 598	59 347
P-3	Legal Officer/Information	1	86 279	67 661	18 618
P-3	Information Technology Officer	1	86 279	67 661	18 618
P-3	Translator	1	86 279	67 661	18 618
P-2	Contributions Officer/Budget	1	75 128	59 629	15 499
P-2	Associate Legal Officer/Research	1	75 128	59 629	15 499
P-2	Administrative Officer (Support/Building Management)	1	75 128	59 629	15 499
P-2	Archivist	1	75 128	59 629	15 499
P-2	Press Officer	1	75 128	59 629	15 499
	Total	**17**	**1 914 291**	**1 462 665**	**451 626**
	Total in euros		**1 724 773**	**1 317 865**	**406 908**
	Total for the biennium in euros		**3 449 546**	**2 635 730**	**813 816**

Note: Figures in United States dollars and euros are based on the standard salary costs, Version 12, applicable to The Hague.

Annex III

General Service staff of the Registry in 2005/2006

Level	*Function*	*Number of posts*	*Standard costs in United States dollars*	*Net standard costs in United States dollars*	*Staff assessment in United States dollars*
Principal level					
	Administrative Assistant (Personnel)	1	76 960	58 971	17 989
	Administrative Assistant (Procurement)	1	76 960	58 971	17 989
	Building Coordinator	1	76 960	58 971	17 989
	Computer Systems Assistant	1	76 960	58 971	17 989
	Publications/Personal Assistant (Registrar)	1	76 960	58 971	17 989
Other levels					
	Administrative Assistant	1	56 181	44 060	12 121
	Administrative Assistant (Contributions)	1	56 181	44 060	12 121
	Conference/Documentation Assistant	1	56 181	44 060	12 121
	Finance Assistant	1	56 181	44 060	12 121
	Finance Assistant (Accounts Payable)	1	56 181	44 060	12 121
	Library Assistant	1	56 181	44 060	12 121
	Linguistic Assistant/Judiciary Support	2	112 362	88 119	24 243
	Personnel Assistant	1	56 181	44 060	12 121
	Personal Assistant (Deputy Registrar)	1	56 181	44 060	12 121
	Personal Assistant (President)	1	56 181	44 060	12 121
	Receptionist	1	56 181	44 060	12 121
	Senior Security Officer/Building Superintendent	1	56 181	44 060	12 121
	Security Officer/Driver	2	112 362	88 119	24 243
	Total	**20**	**1 227 515**	**955 753**	**271 762**
	Total in euros		**1 105 990**	**861 133**	**244 857**
	Total for the biennium in euros		**2 211 980**	**1 722 266**	**489 714**

Note: Figures in United States dollars and euros are based on the standard salary costs, Version 12, applicable to The Hague.

Annex IV

Comparison of post requirements

POSTS
APPROVED FOR 2001

ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional and above	General Service (Principal level)	General Service (Other levels)	Total General Service	Grand Total
1	1		2	5	2	3	14	6	15	21	35

POSTS
APPROVED FOR 2002

ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional and above	General Service (Principal level)	General Service (Other levels)	Total General Service	Grand Total
1	1	0	2	5	3	3	15	6	15	21	36

POSTS
APPROVED FOR 2003

ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional and above	General Service (Principal level)	General Service (Other levels)	Total General Service	Grand Total
1	1	0	2	5	3	4	16	6	15	21	37

POSTS
APPROVED FOR 2004

ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional and above	General Service (Principal level)	General Service (Other levels)	Total General Service	Grand Total
1	1	0	2	5	3	4	16	6	15	21	37

POSTS
PROPOSED FOR 2005/2006

ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional and above	General Service (Principal level)	General Service (Other levels)	Total General Service	Grand Total
1	1	0	2	5	3	5	17	5	15	20	37

Annex V

Judges in 2005/2006 — judicial work not related to cases

			United States dollars	*In euros*
1.	Annual allowance	160,000 / 3 x 20	1 066 667	857 600
2.	Special allowance (20 days/based on 220 working days per annum)	160,000 / 3 / 220 x 20 x 20	96 970	77 964
3.	Subsistence allowance (28 days)	262 x 1.4 x 28 x 20	205 408	165 148
4.	Special allowance for preparatory work (10 days/based on 220 working days) authorized by the President	160,000 / 3 /220 x 20 x 20	48 485	38 982
5.	Subsistence allowance for preparatory work (7 days for 10 judges), to be authorized by the President	262 x 1.4 x 7 x 10	25 676	20 644
6.	President, annual allowance	160,000	160 000	128 640
7.	President, special allowance	15,000	15 000	12 060
8.	Vice-President's special allowances		9 400	7 558
	Total		**1 627 606**	**1 308 595**
	Total in euros for the biennial budget			**2 617 190**
	Total in euros for the biennial budget (rounded)			**2 617 200**
	Annual allowances (President and other Judges) biennial Total [Items 1, 6-8] in euros.			1 996 601
	Special allowances (including DSA) Biennial total [Items 2-5] in euros.			620 590

Note: DSA is determined by ICSC and is subject to change.

DSA rate in United States dollars 262 (plus 40% for judges)
DSA rate in euros 211 (plus 40% for judges)

United Nations exchange rate for March 2004 = 0.804

Annex VI

Judges' common costs in 2005/2006

	2005	*United States dollars*	*United States dollars*	*euros*
1.	President's common costs (based on past performance and estimates)			
	Repatriation grant[a]	30 000		
	Removal of household effects[b]	25 000		
	Assignment grant[a]	15 000		
	Travel on appointment/separation[c]	10 000	80 000	64 320
2.	Reimbursement of national taxes		24 876	20 000
3.	Insurance for work related accidents		6 965	5 600
	Total		**111 841**	**89 920**
	2006			
1.	President's common costs (based on past performance and estimates)			
	Home leave travel[d]	5 000	5 000	4 020
2.	Reimbursement of national taxes		24 876	20 000
3.	Insurance for work related accidents		6 965	5 600
	Total		**36 841**	**29 620**
	Total in euros for the biennial budget			**119 540**
	Total in euros for the biennial budget (rounded)			**119 500**

United Nations exchange rate for March 2004 = 0.804

[a] Based on the judge acting paid at the dependency rate.
[b] Based on two moves between Hamburg and non-European destinations.
[c] Based on travel by the former and new Presidents and their spouses between Hamburg and non-European destinations.
[d] Based on a round trip by the President and his spouse between Hamburg and a non-European destination.

Annex VII

A. Case-related costs in 2005

Judicial work related to cases

		United States dollars	*Euros*
Judges			
1. Special allowance (42 days/based on 220 working days per annum)[a]	160,000/3/220 x 42 x 20	203 636	163 723
2. Subsistence allowance (44 days)[b]	262 x 1.4 x 44 x 20	322 784	259 518
3. Special allowance for preparatory work, to be authorized by the President (35 days/based on 220 working days per annum)[c]	160,000/3/220 x 35 x 20	169 697	136 436
4. Subsistence allowance for preparatory work, to be authorized by the President (17.5 days for 10 judges)[d]	262 x 1.4 x 17.5 x 10	64 190	51 609
5. Compensation for two judges ad hoc[e]		45 323	36 440
6. Travel of judges (incl. two judges ad hoc)		160 358	128 928
Staff costs			
7. Temporary assistance for meetings		306 729	246 610
8. Overtime		28 014	22 523
Total		**1 300 731**	**1 045 787**

[a] 6 weeks based on 7 days.
[b] 6 weeks based on 7 days plus travel days.
[c] 5 weeks based on 7 days (based on ratio determined by the Meeting of States Parties).
[d] 2.5 weeks based on 7 days.
[e] Includes 38.5 days of annual allowance, 21 days of special allowance, 17.5 days of special allowance for preparatory work, 21 days of subsistence allowance per judge ad hoc.

Note: DSA is determined by ICSC and is subject to change.
DSA rate in United States dollars 262 (plus 40 per cent for judges).
DSA rate in euros 211 (plus 40 per cent for judges).
United Nations exchange rate for March 2004 = 0.804 €/$.

B. Case-related costs in 2006

Judicial work related to cases

		United States dollars	*Euros*
Judges			
1. Special allowance (42 days/based on 220 working days per annum)[a]	160,000/3/220 x 42 x 20	203 636	163 723
2. Subsistence allowance (44 days)[b]	262 x 1.4 x 44 x 20	322 784	259 518
3. Special allowance for preparatory work, to be authorized by the President (35 days/based on 220 working days per annum)[c]	160,000/3/220 x 35 x 20	169 697	136 436
4. Subsistence allowance for preparatory work, to be authorized by the President (17.5 days for 10 judges)[d]	262 x 1.4 x 17.5 x 10	64 190	51 609
5. Compensation for two judges ad hoc[e]		45 323	36 440
6. Travel of judges (incl. two judges ad hoc)		162 442	130 603
Staff costs			
7. Temporary assistance for meetings		306 729	246 610
8. Overtime		28 014	22 523
Total 2005		**1 300 731**	**1 045 787**
Total 2006		**1 302 815**	**1 047 462**
Total for the biennial budget		**2 603 546**	**2 093 249**
Total in euros for the biennial budget (rounded)			**2 093 200**

[a] 6 weeks based on 7 days.
[b] 6 weeks based on 7 days plus travel days.
[c] 5 weeks based on 7 days (based on ratio determined by the Meeting of States Parties).
[d] 2.5 weeks based on 7 days.
[e] Includes 38.5 days of annual allowance, 21 days of special allowance, 17.5 days of special allowance for preparatory work, 21 days of subsistence allowance per judge ad hoc.

Note: DSA is determined by ICSC and is subject to change.
DSA rate in United States dollars 262 (plus 40 per cent for judges).
DSA rate in euros 211 (plus 40 per cent for judges).
United Nations exchange rate for March 2004 = 0.804 €/$.

Annex VIII

Judges' pension scheme in 2005/2006

	United States dollars	*Euros*
2005		
Pension for two retired judges and two surviving spouses	67 740	54 463
Pension provision for seven judges including two former Presidents, for 3 months[a]	92 142	74 082
Total	**159 882**	**128 545**
2006		
Pension for two retired judges and two surviving spouses	67 740	54 463
Pension provision for seven judges, including two former Presidents, for 12 months[a]	368 568	296 329
Total	**436 308**	**350 792**
Total for the biennial budget	**596 190**	**479 337**
Total in euros for the biennial budget (rounded)		**479 300**

[a] See paragraph 37 of the draft proposals.
United Nations exchange rate for March 2004 = 0.804 €/$.

Annex IX

Maintenance of premises in 2005/2006

	Budget 2004 (In euros)	*Budget 2005 (In euros)*	*Budget 2006 (In euros)*
I. Facility management			
1. Facility management			
1.1 Technical facility management	44 863	45 446	46 037
1.2 Commercial facility management	21 523	21 803	22 086
2. Infrastructure services			
2.1 Gardening services	45 267	45 855	46 451
2.2 Janitorial services	60 254	61 037	61 830
2.3 Cleaning services			
2.3.1 Building cleaning services	133 620	135 357	137 117
2.3.2 Cleaning of windows and panes of glass	62 005	62 811	63 628
2.3.3 Daily service staff	5 019	5 084	5 150
2.3.4 Consumable supplies	6 340	6 422	6 505
2.3.5 Basic cleaning of outdoor basins	0	0	0
2.4 Services during winter time	1 677	1 699	1 721
2.5 Waste management	2 502	2 535	2 568
2.6 Supply services	2 502	2 535	2 568
2.7 Cleaning of the facade	2 905	2 943	2 981
3. Facility management			
3.1 Information technology licences and support	7 982	8 086	8 191
Subtotal	**396 459**	**401 613**	**406 833**
Consumables supplies/additional cleaning	7 757	7 858	7 960
Filter	4 334	4 390	4 447
Salt and chemicals for reflecting basins	1 596	1 617	1 638
Consumables supplies, janitorial services (small parts)	7 671	7 771	7 872
II. Maintenance supplies	**21 358**	**21 636**	**21 917**
Gas supplies	64 451	63 263	64 085
Power supplies	93 677	94 895	96 129
Water supplies	15 803	16 008	16 216
III. Utilities (Electricity, gas and water)	**171 931**	**174 166**	**176 430**
Listed maintenance contracts	152 520	154 503	156 512
Cleaning Recooling System	2 496	2 528	2 561
IV. Maintenance contracts	**155 016**	**157 031**	**159 073**
V. Contents and third party liability insurance	**26 272**	**26 614**	**26 960**
VI. Minor repairs (maximum of euros 1,000 each)[a]	**50 000**	**50 000**	**50 000**
4. Security services (24 hours)	137 689	139 479	141 292
Total	**958 725**	**970 539**	**982 505**
Total for the biennial budget (rounded)			**1 953 000**

[a] As provided for in the Premises Agreement.

Annex X

Common staff costs 2005/2006 in euros

Estimate for common staff costs (Based on actual costs and estimated requirements)	
Contributions to the United Nations Joint Staff Pension Fund	433 728.00
Dependency allowance	50 952.00
Education grant[a]	88 000.00
Home leave[a]	25 325.00
Language allowance	10 296.00
Accident at work insurance	15 000.00
Medical insurance	125 880.00
Rental subsidy	65 400.00
Provision for staff rotation:[b]	
Professional category (6.5 per cent)	85 663.50
General Service category (3.1 per cent)	26 694.10
Miscellaneous (ex gratia payments, including cancellation of leave)	1 000.00
Total in euros	**927 938.60**
For information	
Established posts, net	2 178 998.00
Common staff costs, 41.14 per cent	896 439.78

[a] Based on 2003 performance and projected expenses.

[b] Provision for expenses related to staff rotation based on the Advisory Committee on Administrative and Budgetary Questions vacancy rate.

6 April 2004

Original: English

Meeting of States Parties
Fourteenth Meeting
New York, 14-18 June 2004

Draft Financial Rules of the International Tribunal for the Law of the Sea

Prepared by the Tribunal

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Introduction

1. The thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal (SPLOS/104) which have become effective on 1 January 2004 and apply to the financial period 2005-2006 and subsequent financial periods (see SPLOS/100). Pursuant to regulation 10.1(a), the Registrar should establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy.

2. In accordance with this provision, draft Financial Rules have been approved by the Tribunal and are herewith submitted to the Meeting of States Parties for consideration.

3. The present working paper reproduces the full text of the Financial Regulations as adopted by the Thirteenth Meeting of States Parties (SPLOS/104). The Financial Rules in bold are inserted in the appropriate places following the respective Regulations which they are intended to make more detailed in order to facilitate their application.

REGULATION[1] 1: Applicability

1.1 These Regulations shall govern the financial administration of the International Tribunal for the Law of the Sea.

1.2 For the purposes of these Regulations:

(a) "Committee on Budget and Finance" means the Committee established as such by the Tribunal;

(b) "Convention" means the United Nations Convention on the Law of the Sea of 10 December 1982 together with the Agreement of 28 July 1994 relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea;

(c) "Meeting of States Parties" means the Meeting of States Parties to the Convention;

(d) "International Organizations" means international organizations, as defined in article 1 of Annex IX to the Convention, which are Parties to the Convention. "States Parties" in these Regulations does not include International Organizations;

(e) "Registrar" means the Registrar of the Tribunal;

(f) "Financial Rules" means the Financial Rules of the Tribunal;

(g) "Statute" means the Statute of the Tribunal, Annex VI to the Convention;

(h) "Working Group" means the open-ended working group established in accordance with rule 53 bis of the Rules of Procedure for Meetings of States Parties.

APPLICABILITY, AUTHORITY AND RESPONSIBILITY

Rule 101.1: Applicability and authority

The Financial Rules are promulgated by the Registrar in accordance with the provisions of the Financial Regulations approved by the Meeting of States Parties. They shall govern all the financial management activities of the

[1] The Financial Regulations adopted at the Thirteenth Meeting of States Parties are reproduced here for easy reference only.

Tribunal except as may otherwise explicitly be provided by the Meeting of States Parties or unless specifically exempted therefrom by the Registrar. The Registrar may delegate by administrative instruction authority for specified aspects of the Financial Regulations and Rules. These administrative instructions will state whether the delegated official may assign aspects of this authority to other officials. In the application of the Financial Regulations and Rules, officials shall be guided by the principles of effective financial management and the exercise of economy.

Rule 101.2: Responsibility

All members of the staff of the Tribunal shall comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial Regulations and Rules or corresponding administrative instructions is liable for the consequences of such contravention.

REGULATION 2: Financial period

2. The financial period shall consist of two consecutive calendar years, beginning with the year 2005. Until then the financial period shall consist of one calendar year.

REGULATION 3: The budget

3.1 The draft budget for each financial period shall be prepared by the Registrar.

Rule 103.1: Preparation of draft budget

(a) The Registrar shall decide on the content and resource allocation of the proposed draft budget to be submitted to the Committee on Budget and Finance;

(b) Heads of organizational units shall prepare budget proposals for the forthcoming financial period at such times and in such detail as the Registrar may prescribe and in accordance with the Financial Regulations and Rules of the Tribunal.

3.2 The draft budget shall cover income and expenditures for the financial period to which they relate and shall be presented in euros.

3.3 The draft budget shall be divided into parts, sections and, as appropriate, programme support. It shall be accompanied by such information, annexes and explanatory statements as may be requested by or on behalf of the Meeting of States Parties, including a statement on the main changes in comparison with the budget of the previous financial period, and such further annexes or statements as the Registrar may deem necessary and useful.

Rule 103.2: Content of draft budget

The draft budget shall contain:

(a) a detailed statement of resources to be allocated by parts, sections and as appropriate programme support; for purposes of comparison, the expenditures for the previous financial period and the revised appropriations for the current financial period shall be indicated alongside the resource estimates for the forthcoming financial period;

(b) a statement of estimated income, including income classified as miscellaneous in accordance with regulation 7.1; information on revenue-producing activities shall show estimated gross revenue and expenditure for each activity as well as the credit to the income section of the budget in respect of the net revenue from each activity.

3.4 The Committee on Budget and Finance shall transmit to the Tribunal the draft budget proposed by the Registrar for the following financial period with its comments and recommendations. The Tribunal shall consider and approve the draft budget for the following financial period and shall transmit it to the Secretariat of the United Nations in sufficient time to ensure its availability to all States Parties and International Organizations at least 40 days prior to the opening of the Meeting of States Parties for its final approval.

3.5 States Parties and International Organizations may request the Registrar to provide clarifications on the proposed budget. Such clarifications shall be provided by the Registrar at the meeting of the Working Group.

Rule 103.3: Publication of the adopted budget

The Registrar shall arrange for the publication of the budget as adopted by the Meeting of States Parties.

3.6 Supplementary budget proposals may be prepared by the Registrar if exceptional circumstances make this necessary. They shall be prepared in a form consistent with the approved budget. The provisions of these Regulations shall apply mutatis mutandis to the proposed supplementary budget.

Rule 103.4: Revised and supplementary budget requirements

Revised and supplementary budget proposals may be submitted in the following instances:

(a) when, in the interest of the administration of justice, urgent approval is required;

(b) when they include activities which the Registrar considers to be of the highest urgency and which could not have been foreseen at the time the initial budget proposals were prepared;

(c) in respect of decisions taken by the Meeting of States Parties;

(d) when they cover activities mentioned in earlier budget proposals as items for which later submissions would be made;

(e) when they involve changes in expenditure requirements associated with inflation and currency fluctuations.

Rule 103.5: Preparation of revised and supplementary budgets

(a) Heads of organizational units shall prepare revised and supplementary budget proposals in such detail and at such times as the Registrar may prescribe.

(b) The Registrar, with the approval of the Tribunal or the President if the Tribunal is not in session, shall decide on the content and resource allocation of all revised and supplementary budget proposals to be submitted to the Meeting of States Parties.

3.7 The Registrar may enter into commitments for future financial periods, provided that such commitments:

(a) are for activities which have been approved by the Meeting of States Parties and are expected to continue beyond the end of the current financial period; or

(b) are authorized by specific decisions of the Tribunal acting with the prior approval of the Meeting of States Parties.

Rule 103.6: Maintenance of record of commitments for future financial periods

The Registrar shall maintain a record in the accounts of all commitments for future financial periods (rule 111.7) which shall constitute the first charges against relevant appropriations once these are approved by the Meeting of States Parties.

REGULATION 4: Appropriations

4.1 The appropriations adopted by the Meeting of States Parties shall constitute an authorization for the Registrar to incur obligations and make payments for the purposes for which the appropriations were adopted and up to the amounts adopted.

4.2 Appropriations shall be available for obligation during the financial period to which they relate.

4.3 Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to liquidate any outstanding legal obligations of the financial period. The balance of the appropriations remaining unobligated at the close of the financial period, after deducting therefrom any contributions from States Parties, International Organizations and the International Seabed Authority relating to that financial year which remain unpaid, shall form part of any cash surplus of the budget and shall be treated in accordance with regulation 4.5.

4.4 At the end of the twelve-month period provided for in regulation 4.3, the then remaining unspent balance of appropriations retained after deducting therefrom any contributions from States Parties, International Organizations and the International Seabed Authority relating to the financial period of the appropriations which remain unpaid shall be treated as a cash surplus as in regulation 4.3. Any obligations remaining a valid claim at that time shall be charged against current appropriations.

The provisional cash surplus for the financial period shall be determined by establishing the balance between credits (assessed contributions actually received for the financial period and miscellaneous income received during the financial period) and charges (all disbursements against the appropriations for that financial period and provisions for unliquidated obligations for that financial period).

The cash surplus for the financial period shall be determined by crediting to the provisional cash surplus any arrears of prior periods ' contributions received during this period and any savings from the provisions made for unliquidated obligations as mentioned above. Any remaining outstanding obligations shall be re-obligated against the appropriations of the current financial period.

4.5 Any cash surplus in the budget at the close of any financial period shall be apportioned among States Parties, International Organizations and the International Seabed Authority in proportion to the contributions determined for the financial period to which the surplus relates. As of 1 January of the year in which the audit of the accounts of the financial period is completed, the amount so apportioned to a State Party, an International Organization or the International Seabed Authority shall be surrendered if its contribution for that financial period has been paid in full and shall be applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of contributions; and thirdly, contributions for the calendar year following the year in which the audit is completed.

While any cash surplus in the budget shall be apportioned among all States Parties, International Organizations and the International Seabed Authority, the amount so apportioned shall be surrendered only to those which have paid in full their contributions for that financial period. Amounts apportioned but not surrendered shall be retained by the Registrar until such time as the contribution for the relevant financial period is paid in full, at which time they shall be applied as set forth above.

4.6 No transfer between appropriation sections may be made without authorization by the Meeting of States Parties, unless such a transfer is made necessary by exceptional circumstances and is in accordance with criteria agreed upon by the Meeting of States Parties.

4.7 The Registrar shall prudently manage the appropriations. The Registrar shall be accountable to the Meeting of States Parties for the proper management of the financial resources in accordance with these Regulations and the Financial Rules.

Rule 104.1: Authorization to expend appropriations

Authorization by the Registrar to expend budget appropriations may take the form of:

(a) an allotment of funds or other authorization to commit funds for a specific period and/or a specific purpose; and/or

(b) an authorization for the employment of staff or of consultants.

Rule 104.2: Allotment advice

The Registrar shall issue at least annually a detailed allotment advice to each organizational unit of the Tribunal for the objects of expenditure for which it is responsible.

Rule 104.3: Redeployment between organizational units

The Registrar may redeploy resources among organizational units and objects of expenditure, provided such redeployments are within the total appropriations approved by the Meeting of States Parties for an appropriation section.

REGULATION 5: Provision of funds

5.1 The funds of the Tribunal shall include:

(a) assessed contributions made by States Parties in accordance with article 19, paragraph 1, of the Statute;

(b) agreed contributions, as determined by the Meeting of States Parties, made by International Organizations;

(c) contributions by the International Seabed Authority in accordance with article 19, paragraph 1, of the Statute;

(d) contributions by other entities in accordance with article 19, paragraph 2, of the Statute;

(e) voluntary contributions made by States Parties, other States, International Organizations, the International Seabed Authority or other entities;

(f) such other funds to which the Tribunal may become entitled or may receive.

5.2 The appropriations, subject to the adjustments effected in accordance with the provisions of regulation 5.3, shall be financed by:

(a) assessed contributions from the States Parties in accordance with an agreed scale of assessment based upon the scale used for the regular budget of the United Nations in the preceding calendar year adjusted to take into account the differences in membership between the United Nations and the States Parties to the Convention, as well as a floor rate and a ceiling rate as determined from time to time by the Meeting of States Parties;

(b) agreed contributions from International Organizations, as determined from time to time by the Meeting of States Parties, taking into consideration the total amount of the budget for each financial period;

(c) contributions from the International Seabed Authority.

Pending the receipt of such contributions, the appropriations may be financed by the Working Capital Fund.

5.3 For each of the two years of a financial period, the contributions of States Parties, International Organizations and the International Seabed Authority shall be determined on the basis of half of the appropriations adopted by the Meeting of States Parties for that financial period, except that adjustments shall be made in respect of:

(a) supplementary appropriations for which contributions have not previously been determined;

(b) contributions under the provisions of regulations 5.9 and 5.10;

(c) any balance of the appropriations surrendered under regulations 4.3, 4.4 and 4.5.

5.4 After the Meeting of States Parties has adopted the budget and determined the amount of the Working Capital Fund, the Registrar shall:

(a) transmit the relevant documents to the States Parties, International Organizations and the International Seabed Authority;

(b) inform the States Parties, International Organizations and the International Seabed Authority of their commitments in respect of annual contributions and advances to the Working Capital Fund;

(c) request them to remit their contributions and advances.

Rule 105.1: Time frame for application of regulation 5.4

The Registrar shall comply with regulation 5.4 within thirty days of the decision by the Meeting of States Parties approving the budget and the level of the Working Capital Fund.

5.5 Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Registrar referred to in regulation 5.4, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.

5.6 Annual contributions and advances to the Working Capital Fund shall be determined in euros and paid in either United States dollars or euros.

Rule 105.2: Exchange rate of assessed contributions paid in US$

The equivalent in euros of contributions paid in US$ is calculated at the most favourable rate of exchange (normally the market buying rate) available to the Tribunal on the date of payment.

5.7 Payments made by a State Party, an International Organization or the International Seabed Authority shall be credited first to the Working Capital Fund and then to the contributions due, in the order in which the contribution was determined.

5.8 The Registrar shall submit to each Meeting of States Parties a report on the collection of contributions and advances to the Working Capital Fund.

5.9 New States Parties shall be required to make contributions for the year in which they become States Parties and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the Meeting of States Parties.

5.10 New International Organizations shall be required to make agreed contributions for the year in which they become Parties to the Convention and to provide their proportion of the total advances to the Working Capital Fu d at rates to be determined by the Meeting of States Parties.

5.11 Contributions of entities other than a State Party, an International Organization or the International Seabed Authority to the expenses of the Tribunal shall be treated as miscellaneous income.

REGULATION 6: Funds

6.1 There shall be established a General Fund for the purpose of accounting for the administrative expenditures of the Tribunal. The contributions referred to in regulation 5.2 by States Parties, International Organizations and the International Seabed Authority, miscellaneous income and any advances made from the Working Capital Fund to finance administrative expenditures shall be credited to the General Fund.

6.2 There shall be established a Working Capital Fund to ensure financial resources for the Tribunal to meet short-term liquidity problems pending receipt of contributions under regulation 5.2 and to provide the Tribunal with the financial means to deal with cases, in particular those requiring urgent proceedings, to the extent that the expenditure cannot be met from the contingency. The amount shall be determined from time to time by the Meeting of States Parties. The Working Capital Fund shall be constituted by advances from States Parties, International Organizations and the International Seabed Authority. Advances shall be made in accordance with the agreed scale of assessment or, in the case of International Organizations and the International Seabed Authority, as determined from time to time by the Meeting of States Parties. Advances shall be carried to the credit of States Parties, International Organizations and the International Seabed Authority which have made such advances.

6.3 Advances made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed to the Fund as soon as and to the extent that income is available for that purpose.

Rule 106.1: Advances from the Working Capital Fund

(a) Advances from the Working Capital Fund may be made only for the purposes and within the terms and conditions prescribed by the Meeting of States Parties and only with the approval of the Registrar.

(b) Except when such advances are recoverable from some other source, advances from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes shall be reimbursed though the submission of supplementary programme budget proposals.

6.4 Income derived from investments of the Working Capital Fund in accordance with regulation 9.1 shall be credited to miscellaneous income.

6.5 Reserve and special accounts may be established by the Registrar, with the approval of the Tribunal, in accordance with these Regulations and shall be reported to the Meeting of States Parties. Trust funds may also be established by the Registrar, with the approval of the Tribunal, in accordance with these Regulations and shall be brought to the Meeting of States Parties for its consideration.

6.6 The purpose and limits of each trust fund, reserve and special account shall be clearly defined by the authority approving it pursuant to regulation 6.5. Unless otherwise decided by the Meeting of States Parties, such funds and accounts shall be administered in accordance with these Regulations.

REGULATION 7: Other income

7.1 All other income except:

(a) contributions to the budget by States Parties, International Organizations and the International Seabed Authority in accordance with regulation 5.2;

(b) voluntary contributions pursuant to regulation 7.2;

(c) direct refunds of expenditures made during the financial period;

(d) revenue derived from staff assessment, shall be classed as miscellaneous income, for credit to the General Fund.

Rule 107.1: New States Parties and other entities

Contributions from new States Parties and International Organizations for the year in which they become parties to the Convention, and contributions from other entities, shall be credited as miscellaneous income. Contributions from new States Parties shall be determined on a quarterly basis.

7.2 Voluntary contributions, gifts and donations, whether or not in cash, may be accepted by the Tribunal, provided that the purposes for which the contributions are made are consistent with the nature and functions of the Tribunal. Acceptance of any such contributions, gifts and donations which directly or indirectly involve additional financial liability for the Tribunal shall require the prior consent of the Meeting of States Parties. Information on voluntary contributions, gifts and donations accepted under this regulation shall be communicated to the next Meeting of States Parties.

7.3 Moneys accepted in accordance with regulation 7.2 for purposes specified by the donors shall be treated as trust funds or special accounts in accordance with regulation 6.5.

7.4 Moneys in respect of which no purpose is specified shall be treated as miscellaneous income and reported as "gifts" in the accounts of the financial period.

Rule 107.2: Reimbursements of expenditures

(a) Within the same financial period, reimbursements of actual expenditures incurred may be credited to the accounts against which they were originally charged; reimbursements of actual expenditures incurred in prior financial periods shall be credited as miscellaneous income.

(b) Adjustments that arise subsequent to the closing of an extra budgetary account (i.e., a trust fund, special account, project, etc.) shall be debited or credited against miscellaneous income in the same account.

Rule 107.3: Proceeds from revenue-producing activities

Proceeds from revenue-producing activities shall be credited as miscellaneous income.

Rule 107.4: Receipt and deposit

(a) An official receipt shall be issued as soon as practicable for all cash and negotiable instruments received.

(b) Only officials designated by the Registrar shall be authorized to issue official receipts. If other officials receive money intended for the Tribunal, they must immediately convey this money to an official authorized to issue an official receipt.

(c) All moneys received shall be deposited in an official bank account as soon as practicable.

REGULATION 8: Custody of funds

8. The Registrar shall designate a reputable bank or banks in which the funds of the Tribunal shall be kept.

Rule 108.1: Bank accounts, authority and policy

The Registrar shall establish all official bank accounts required for the transaction of the Tribunal 's business and shall designate those officials to whom signatory authority is delegated for the operation of those accounts. The Registrar shall also authorize all bank account closures. The Tribunal 's bank accounts are to be opened and operated in accordance with the following guidelines:

(a) bank accounts shall be designated "official accounts of the International Tribunal for the Law of the Sea" and the relevant authority shall be notified that those accounts are exempt from all taxation;

(b) banks shall be required to provide monthly statements promptly;

(c) two signatures, or their electronic equivalent, shall be required on all cheques and other withdrawal instructions, including electronic modes of payment;

(d) all banks shall be required to recognize that the Registrar is authorized to receive, upon request or as promptly as is practicable, all information pertaining to official bank accounts of the Tribunal.

Rule 108.2: Bank signatories

Bank signatory authority and responsibility is assigned on a personal basis and cannot be delegated. Bank signatories cannot exercise the approving functions assigned in accordance with rule 110.4. Designated bank signatories must:

(a) ensure that there are sufficient funds in the bank account when cheques and other payment instructions are presented for payment;

(b) verify that all cheques and other payment instructions are pre-encumbered, dated and drawn to the order of the named payee approved by an approving officer (designated in accordance with rule 110.4), as indicated in the accompanying disbursement voucher, payment instructions and original invoice;

(c) ensure that cheques and other banking instruments are properly safeguarded and that when they are obsolete they are destroyed in the
presence of two officials designated for that purpose by the Registrar.

Rule 108.3: Exchange of currencies

Officials responsible for the operation of the Tribunal 's bank accounts or for holding the Tribunal 's cash or negotiable instruments are not authorized to exchange one currency for another, except to the extent necessary for the transaction of official business.

Rule 108.4: Cash advances

(a) Petty cash advances may be made only by and to officials designated for this purpose by the Registrar.

(b) The relevant accounts shall be maintained on an imprest system and the amount and purposes of each advance shall be defined by the Registrar.

(c) The Registrar may approve other cash advances as may be permitted by the Staff Regulations and Rules and administrative instructions and as may otherwise be authorized in writing by the Registrar.

(d) Officials to whom cash advances are issued shall be held personally responsible and financially liable for the proper management and safekeeping of cash so advanced and must be in a position to account for the advances at all times. They shall submit monthly accounts, unless otherwise directed by the Registrar.

Rule 108.5: Disbursements/payments

(a) All disbursements shall be made by cheque, by wire transfer or by electronic funds transfer except to the extent that cash disbursements are authorized by the Registrar.

(b) Disbursements shall be recorded in the accounts as of the date when they are made, that is, when the cheque is issued, transfer is effected or cash is paid out.

(c) Except where a paid cheque is returned by the bank or a debit advice is received from the bank, a payee's written receipt shall be
obtained for all disbursements.

Rule 108.6: Reconciliation of bank accounts

Every month, unless an exception is authorized by the Registrar, all financial transactions, including bank charges and commissions, must be reconciled with the information submitted by banks in accordance with rule 108.1. This reconciliation must be performed by officials having no actual part in the receipt or disbursement of funds. If the staff situation at the Tribunal makes this impracticable, alternative arrangements may be established in consultation with the Registrar.

REGULATION 9: Investment of funds

9.1 The Registrar may make prudent short-term investments of moneys not needed for immediate requirements and shall inform the Tribunal and the Meeting of States Parties periodically of such investments.

Rule 109.1: Policy

(a) Short-term investments are investments made for less than 12 months.

(b) The Registrar shall ensure, including by establishing appropriate guidelines, that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Tribunal 's cash-flow requirements. In addition to these criteria, investments shall be selected on the basis of achieving the highest reasonable rate of return and shall accord with the independence and impartiality of the Tribunal and the principles of the Charter of the United Nations.

Rule 109.2: Investment ledger

Investments shall be recorded in an investment ledger, which shall
show all the relevant details for each investment, including, for example, face value, cost, date of maturity, place of deposit, proceeds of sale and income earned.

Rule 109.3: Custody of investments

(a) All investments shall be made through, and maintained by, reputable financial institutions designated by the Registrar.

(b) All investment transactions, including the withdrawal of invested resources, require the authorization and signature of two officials designated for that purpose by the Registrar.

9.2 Income derived from investments shall be credited to miscellaneous income or as provided in the rules relating to each fund or account.

Rule 109.4: Income from investments

(a) Income derived from General Fund investments shall be credited as miscellaneous income.

(b) Income derived from Working Capital Fund investments shall be credited to miscellaneous income, as provided for in regulation 6.4.

(c) Income derived from investments pertaining to trust funds reserve and special accounts shall be credited to the trust fund, reserve or special account concerned.

(d) Income from investments must be recorded and reported by the Registrar to the Auditor.

Rule 109.5: Losses

(a) Any investment losses must be recorded, and reported at once to the Registrar. The Registrar may authorize the writing-off of investment losses. A summary statement of investment losses, if any, shall be provided to the Auditor within three months following the end of the financial period.

(b) Investment losses shall be borne by the fund, trust fund, reserve or special account from which the principal amounts were obtained. (See also rule 110.9 with respect to the writing-off of losses of cash and receivables.)

REGULATION 10: Internal control

10.1 The Registrar shall:

(a) establish, with the approval of the Tribunal, detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy. These rules and procedures shall be brought to the Meeting of States Parties for its consideration;

(b) cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made;

(c) designate the officers who may receive moneys, incur obligations and make payments on behalf of the Tribunal;

(d) maintain an internal financial control which shall provide for effective current examination and/or review of financial transactions in order to ensure:

(i) the regularity of the receipt, custody and disposal of all funds and other financial resources of the Tribunal;

(ii) the conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Meeting of States Parties, or with the purposes and rules relating to trust funds and special accounts;

(iii) the economic use of the resources of the Tribunal.

10.2 Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriate authorizations have been made in writing under the authority of the Registrar.

Rule 110.1: Authorization

The utilization of all funds requires the prior authorization of the Registrar. Such authorization may take the form of:

(a) an allotment of funds or other authorization to commit, obligate and expend specified funds for specified purposes during a specified period;

(b) an authorization to employ staff against an approved staffing table.

Rule 110.2: Certification and approval

Notwithstanding bank signatory functions assigned in accordance with rule 108.2, all commitments, obligations and expenditures require at least two authorizing signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be signed ("certified") by a duly designated certifying officer (rule 110.3). Following certification, duly designated approving officers (rule 110.4) must then sign to "approve" the establishment of obligations and the recording of expenditures in the accounts and the processing of payments. Expenditures recorded against an established, certified obligation do not require additional certification, provided that they do not exceed the amount obligated by more than 10 per cent or €2,500 (or its equivalent in other currencies), whichever is lower (rule 110.5). Expenditures under €2,500 (or its equivalent in other currencies) for which the recording of an obligation is unnecessary require both certification and approval.

Rule 110.3: Certifying officers

(a) One or more officials shall be designated by the Registrar as the certifying officer(s) for the account(s) pertaining to a section or subsection of an approved budget. Certifying authority and responsibility is assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving functions assigned in accordance with rule 110.4.

(b) Certifying officers are responsible for managing the utilization of resources, including posts, in accordance with the purposes for which those resources were approved, the principles of efficiency and effectiveness and the Financial Regulations and Rules of the Tribunal. Certifying officers must maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Registrar.

Rule 110.4: Approving officers

(a) Approving officers are designated by the Registrar to approve the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertaking after verifying that they are in order and have been certified by a duly designated certifying officer. Approving officers are also responsible for approving the making of payments once they have ensured that they are properly due, confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered and, if the cost exceeds €2,500 (or its equivalent in other currencies), in accordance with the purpose for which the relevant financial obligation was established. Approving officers must maintain detailed records and must be prepared to submit any supporting documents, explanations and justifications requested by the Registrar.

(b) Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An approving officer cannot exercise the certifying functions assigned in accordance with rule 110.3 or the bank signatory functions assigned in accordance with rule 108.2.

Rule 110.5: Establishment and revision of obligations

(a) Apart from the employment of staff against an authorized staffing table, and consequential commitments under the Staff Regulations and Rules, no undertaking, including by contract, agreement or purchase order, for an amount exceeding €2,500 (or its equivalent in other currencies) shall be entered into until the appropriate credit(s) has (have) been reserved in the accounts. This shall be done through the recording of an obligation(s), against which relevant payments or disbursements, made only on fulfilment of contractual and other obligations, shall be recorded as expenditure. An obligation shall be recorded in the accounts as unliquidated during the period set forth in regulation 4.3 and until such point as it is reobligated, liquidated or cancelled in accordance with regulation 4.4.

(b) If, in the time that elapses between the establishment of an obligation and the processing of final payment, the cost of the relevant goods or services has, for whatever reason, increased by less than €2,500 (or its equivalent in other currencies) or 10 per cent of the obligation, whichever is lower, no change need be made to the amount of the original obligation. If, however, the increase in costs exceeds either of these thresholds, the original obligation must be revised to reflect this increase in requirements and further certification is required. All increases in obligations, including those resulting from currency fluctuations, shall be subject to the same procedures as apply to the incurring of original obligations.

Rule 110.6: Review, reobligation and cancellation of obligations

(a) Outstanding obligations must be reviewed periodically by the responsible certifying officer(s). If an obligation is determined to be valid but cannot be liquidated during the period set forth in regulation 4.2, the provisions of regulation 4.3 shall be applied. Obligations that are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered.

(b) When any obligation previously recorded in the accounts is, for any reason, reduced (other than by payment) or cancelled, the certifying officer shall accordingly ensure that appropriate adjustments are recorded in the accounts.

Rule 110.7: Obligating documents

An obligation must be based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the Tribunal. All obligations must be supported by an appropriate obligating document.

10.3 The Registrar, with the approval of the Tribunal, may make such ex gratia payments as he or she deems to be necessary in the interest of the Tribunal, provided that a statement of such payments shall be submitted to the Meeting of States Parties with the accounts.

Rule 110.8: Ex gratia payments

A summary statement of all ex gratia payments shall be provided to the Auditor not later than three months following the end of the financial period..

10.4 The Registrar may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor with the accounts together with the justifications attached thereto and brought to the Meeting of States Parties for its consideration.

Rule 110.9: Writing off of losses of cash and receivables

(a) The Registrar may, after full investigation, authorize the writing off of losses of cash and the book value of accounts and receivables deemed to be irrecoverable. A detailed statement of losses of cash and receivables shall be provided to the Auditor not later than three months following the end of the financial period.

(b) The investigation shall, in each case, fix the responsibility, if any, attaching to any official of the Tribunal for the loss or losses. Such official(s) may be required to reimburse the Tribunal either partially or in full. Final determination as to all charges to be made against staff members or others as the result of losses will be made by the Registrar.

Rule 110.10: Writing off of losses of property

(a) The Registrar may, after full investigation, authorize the writing off of losses of property of the Tribunal, and adjust the record to bring the balance shown into conformity with actual, physical property. A detailed statement of losses of non-expendable property shall be provided to the Auditor not later than three months following the end of the financial period.

(b) The investigation shall, in each case, fix the responsibility, if any, attaching to any official of the Tribunal for the loss or losses. Such official(s) may be required to reimburse the Tribunal either partially or in full. Final determination as to all charges to be made against staff members or others as the result of losses will be made by the Registrar.

10.5 Substantial purchases of equipment, supplies and other requirements as specified in the Financial Rules shall be by tender. Such tenders shall be invited by advertisement, except where the Registrar, with the approval of the President of the Tribunal, deems that, in the interests of the Tribunal, a departure from the rule is desirable.

Rule 110.11: General principles

Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the Tribunal:

(a) best value for money;

(b) fairness, integrity and transparency;

(c) effective international competition;

(d) the interest of the Tribunal.

Rule 110.12: Authority and responsibility for procurement

(a) The Registrar is responsible for the procurement functions of the Tribunal, shall establish all its procurement systems and shall designate the officials responsible for performing procurement functions.

(b) The Registrar shall establish a review committee to render written advice to the Registrar on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, includes agreements or other written instruments such as purchase orders and contracts that involve income to the Tribunal. The Registrar shall establish the composition and the terms of reference of the committee, which shall include the types and monetary values of proposed procurement actions subject to review.

(c) Where the advice of the review committee is required, no final action leading to the award or amendment of a procurement contract may be taken before such advice is received. In cases where the Registrar decides not to accept the advice of such a review committee, he or she shall record in writing the reasons for that decision.

Rule 110.13: Competition

Consistent with the principles set out in rule 110.11 and except as provided in rule 110.15, procurement contracts shall be awarded on the basis of effective competition, and to this end the competitive process shall, as necessary, include:

(a) acquisition planning for developing an overall procurement strategy and procurement methodologies;

(b) market research for identifying potential suppliers;

(c) consideration of prudent commercial practices;

(d) formal methods of solicitation, utilizing invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers; or informal methods of solicitation, such as requests for quotations. The Registrar shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used;

(e) public bid openings.

Rule 110.14: Formal methods of solicitation

(a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation document and is evaluated to be the lowest cost to the Tribunal.

(b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal is the most responsive to the requirements set forth in the solicitation document.

(c) The Registrar may, in the interest of the Tribunal, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The Registrar shall then determine whether to undertake a new solicitation, or to directly negotiate a procurement contract pursuant to rule 110.15, or to terminate or suspend the procurement action.

Rule 110.15: Exceptions to the use of formal methods of solicitation

(a) The Registrar may, with the approval of the President, determine for a particular procurement action that using formal methods of solicitation is not in the best interest of the Tribunal:

(i) when there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or service;

(ii) when there has been a previous determination or there is a need to standardize the requirement;

(iii) when the proposed procurement contract is the result of cooperation with an organization of the United Nations system, pursuant to rule 110.16;

(iv) when offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;

(v) when, within a reasonable prior period, a formal solicitation has not produced satisfactory results;

(vi) when the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition;

(vii) when there is an exigency for the requirement;

(viii) when the proposed procurement contract relates to obtaining services that cannot be evaluated objectively;

(ix) when the Registrar determines that for other reasons a formal solicitation will not give satisfactory results;

(x) when the value of the procurement is below the monetary threshold established for formal methods of solicitation.

(b) When a determination is made pursuant to paragraph (a) above, the Registrar shall record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation, or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.

Rule 110.16: Cooperation

(a) The Registrar may cooperate with organizations of the United Nations system to meet the procurement requirements of the Tribunal, provided that the regulations and rules of those organizations are consistent with those of the Tribunal. The Registrar may, as appropriate, enter into agreements for such purposes. Such cooperation may include carrying out common procurement actions together, or the Tribunal entering into a contract in reliance on a procurement decision of a United Nations organization, or requesting a United Nations organization to carry out procurement activities on behalf of the Tribunal.

(b) The Registrar may, to the extent authorized by the Meeting of States Parties, cooperate with a Government, non-governmental organization or other public international organization in respect of procurement activities and, as appropriate, enter into agreements for such purposes.

Rule 110.17: Written contracts

(a) Written procurement contracts shall be used to formalize every procurement for a monetary value over specific thresholds established by the Registrar. Such arrangements shall, as appropriate, specify in detail:

(i) the nature of the products or services being procured;

(ii) the quantity being procured;

(iii) the contract or unit price;

(iv) the period covered;

(v) conditions to be fulfilled, including the Tribunal 's general conditions of contract and implications for non delivery;

(vi) terms of delivery and payment;

(vii) name and address of supplier.

(b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before using any electronic means of data interchange, the Registrar shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information.

Rule 110.18: Advance and progress payments

(a) Except where normal commercial practice or the interests of the Tribunal so require, no contract or other form of undertaking shall be made on behalf of the Tribunal which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to, the reasons therefor shall be recorded.

(b) In addition to subparagraph (a) above and notwithstanding rule 103.6, the Registrar may, where necessary, authorize progress payments.

Rule 110.19: Authority and responsibility on property management

(a) The Registrar is responsible for the management of the property of the Tribunal, including all systems governing its receipt, recording, utilization, safe keeping, maintenance and disposal, including by sale, and shall designate the officials responsible for performing property management functions.

(b) A summary statement of non-expendable Tribunal property shall be provided to the Auditor not later than three months following the end of the financial period.

Rule 110.20: Inventories

An inventory shall be taken of supplies, equipment or other property of the Tribunal or entrusted to the charge of the Tribunal at such intervals as deemed necessary to ensure adequate control over such property. Where property is of a kind used and/or administered by only one organizational unit, the Registrar may delegate responsibility for making arrangements for preparing such inventories to the head of that organizational unit.

Rule 110.21: Property Survey Board

(a) The Registrar shall establish a Property Survey Board, to render written advice in respect of loss, damage or other discrepancy regarding the property of the Tribunal. The Registrar shall establish the composition and terms of reference of the Board, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action in accordance with rule 110.21, and the degree of responsibility, if any, attaching to any Tribunal official or other party for such loss, damage or other discrepancy.

(b) Where the advice of the Board is required, no final action in respect of the loss, damage or other discrepancy may be taken before such advice is received. In cases where the Registrar decides not to accept the advice of the Board, the Registrar shall record in writing the reasons for that decision.

Rule 110.22: Sale/disposal of property

(a) The Registrar shall be responsible for the disposal of property by sale. The Registrar may delegate authority as necessary.

(b) Sales of supplies, equipment or other property declared surplus or unserviceable shall be based on competitive bidding, unless the Property Survey Board:

(i) estimates that the sales value is less than € 5,000 ;

(ii) considers that the exchange of property in partial or full payment for the replacement equipment or supplies is in the best interests of the Tribunal;

(iii) deems it appropriate to transfer surplus property from one office or programme for use in another and determines the fair market value at which the transfer(s) shall be effected;

(iv) determines that the destruction of the surplus or unserviceable material will be more economical or is required by law or by the nature of the property;

(v) determines that the interests of the Tribunal will be served through the disposal of the property by gift or sale at nominal prices to another intergovernmental organization, a Government or government agency or some other non-profit organization.

Rule 110.23: Sale of property

Except as provided for in rule 110.22 above, property shall be sold on the basis of payments on or before delivery.

REGULATION 11: The accounts

11.1 The Registrar shall submit accounts for the financial period. In addition, the Registrar shall maintain, for management purposes, such accounting records as are necessary. The accounts for the financial period shall show:

(a) the income and expenditures of all funds;

(b) the status of appropriations, including:

(i) the original budget appropriations;

(ii) the appropriations as modified by any transfers;

(iii) credits, if any, other than the appropriations adopted by the Meeting of States Parties;

(iv) the amounts charged against those appropriations and/or other credits.

(c) the assets and liabilities of the Tribunal.

The Registrar shall also give such other information as may be appropriate to indicate the current financial position of the Tribunal.

Rule 111.1: Principal accounts

In accordance with regulations 11.1 and 11.3, the principal accounts of the Tribunal shall include detailed, comprehensive and up-to-date records of assets and liabilities for all sources of funds. The principal accounts shall consist of:

(a) programme budget accounts, showing:

(i) original appropriations;

(ii) appropriations as modified by transfers;

(iii) credits (other than appropriations made available by the Meeting of States Parties);

(iv) expenditures, including payments and other disbursements and unliquidated obligations;

(v) unencumbered balances of allotments and appropriations.

(b) general ledger accounts, showing: all cash at banks, investments, receivables and other assets, payables and other liabilities;

(c) the Working Capital Fund and all trust funds, reserve or other special accounts.

Rule 111.2: Authority and responsibility for accounts

Responsibility for the accounts is assigned to the Registrar who shall establish all accounting procedures of the Tribunal and designate the officials responsible for performing accounting functions.

Rule 111.3: Accrual basis accounting

Unless otherwise directed by the Registrar, or by the particular terms governing the operation of a trust fund, reserve or special account, all financial transactions shall be recorded in the accounts on an accrual basis.

11.2 The accounts of the Tribunal shall be presented in euros. Accounting records may, however, be kept in such currency or currencies as the Registrar may deem necessary.

11.3 Appropriate separate accounts shall be maintained for all trust funds and special accounts.

Rule 111.4: Accounting for exchange rate fluctuations

(a) The Registrar shall establish the operational rates of exchange between the euro and other currencies, on the basis of the operational rates of exchange established by the Secretariat of the United Nations. The operational rate(s) of exchange shall be used for the recording of all Tribunal transactions.

(b) Payments in currencies other than the euro will be determined on the basis of the operational rate(s) of exchange prevailing at the time of payment. Any difference between the actual amount(s) received on exchange and the amount(s) that would have been obtained at the operational rate(s) of exchange shall be accounted for as loss or gain on exchange.

(c) When closing the final accounts for a financial period, any negative balance on the account for "loss or gain on exchange" shall be debited to the relevant budget account, while any positive balance shall be credited to miscellaneous income.

Rule 111.5: Accounting for proceeds from the sale of property

The proceeds from the sale of property shall be credited as miscellaneous income except:

(a) where the Property Survey Board has recommended the application of these proceeds directly against the purchase price of replacement equipment or supplies (any balance shall be taken into account as miscellaneous income);

(b) when the trade-in property is not considered to be a sale, and the allowance shall be applied against the cost of the replacement property;

(c) where the normal practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage;

(d) when the proceeds from the sale of surplus equipment shall be credited to the relevant programme account, provided that it has not been closed;

(e) when equipment transferred from one programme for use in another and the account of the releasing programme is open, the fair market value of such equipment shall be credited to the account of the releasing programme and charged to the account of the receiving programme.

Rule 111.6: Accounting for commitments against future financial periods

Obligations established prior to the financial period to which they pertain, pursuant to regulation 3.7 and rule 103.6, shall be recorded against a deferred charge account. Deferred charges shall be transferred to the appropriate account when the necessary appropriations and funds become available.

11.4 The accounts for the financial period shall be submitted by the Registrar to the Auditor not later than 31 March following the end of the financial period.

Rule 111.7: Financial statements

(a) For all accounts of the Tribunal, financial statements covering the financial period, as of 31 December, shall be submitted to the Auditor in euros not later than 31 March following the end of such period. Copies of financial statements shall also be transmitted to the Tribunal. Additional financial statements may be prepared as and when the Registrar deems necessary.

(b) Financial statements submitted to the Auditor for all accounts shall include:

(i) a statement of income, expenditures and changes in reserves and fund balances;

(ii) a statement of assets, liabilities, reserves and fund balances;

(iii) a statement of cash flows;

(iv) such other schedules as may be required;

(v) notes to the financial statements.

Rule 111.8: Archives

Accounting records, other financial and property records, and all supporting documents shall be retained for such periods as may be agreed with the Auditor. This period may not be less than ten years. Once this period has elapsed, the records and supporting documents may be destroyed on the authority of the Registrar. Where appropriate, such records and supporting documents shall be preserved by electronic means.

REGULATION 12: Audit

12.1 The Meeting of States Parties shall appoint an Auditor, which may be an internationally recognized firm of auditors or an Auditor General or an official of a State Party with an equivalent title. The Auditor shall be appointed for a period of four years and its appointment may be renewed. The Tribunal may make proposals regarding the appointment of the Auditor.

12.2 The audit shall be conducted in conformity with generally accepted common auditing standards and in accordance with the additional terms of reference set out in the annex to these Regulations.

12.3 The Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Tribunal.

12.4 The Auditor shall be completely independent and solely responsible for the conduct of the audit.

12.5 The Meeting of States Parties and/or the Tribunal may request the Auditor to perform certain specific examinations and issue separate reports on the results.

12.6 The Registrar shall provide the Auditor with the facilities required in the performance of the audit.

12.7 The Auditor shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in regulation 12.3 and in the additional terms of reference.

12.8 The Tribunal shall examine the financial statements and the audit reports and shall forward them to the Meeting of States Parties, with such comments as it deems appropriate.

REGULATION 13: Decisions involving expenditures

13. Where, in the opinion of the Registrar, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Meeting of States Parties has made the necessary appropriations or unless the Registrar certifies that provision can be made under the conditions of an applicable decision of the Meeting of States Parties relating to unforeseen and extraordinary expenses.

Rule 113.1: Decisions involving expenditures

(a) The Tribunal shall not take a decision involving either a change in the budget approved by the Meeting of States Parties or the possible requirement of expenditure unless it has received and taken account of a report of the Registrar on the budget implications of the proposal.

(b) All heads of organizational units are responsible for preparing, and when requested, presenting to the Tribunal the statements on budget implications required under (a).

REGULATION 14: General provisions

14.1 These Regulations shall become effective on 1 January 2004 and shall apply to the financial period 2005 - 2006 and to subsequent financial periods.

14.2 These Regulations may be amended by the Meeting of States Parties taking into account the views of the Tribunal.

Rule 114.1: Effective date

These Rules shall become effective on 1 January 2005.

Rule 114.2: Amendment of Rules

(a) These Rules may be amended by the Meeting of States Parties.

(b) Unless the Meeting of States Parties is seized of a specific proposal for amendment of a rule, the Tribunal, acting upon a proposal presented by the Registrar, may amend the Rules if the Tribunal is convinced that the amendment contributes towards better ensuring the principles of effective financial administration and the exercise of economy.

(c) An amendment enacted by the Tribunal will apply provisionally until such time as the Meeting of States Parties decides to endorse the amendment. If the Meeting of States Parties decides not to endorse the amendment, the unamended rule, or any rule that the Meeting of States Parties decides to adopt in its place, shall become effective as of the day on which the Meeting of States Parties takes that decision.